

**STILL NO BUDGET!**

While the state budget is the fiscal document that lays out the manner in which thousands of agencies, departments and programs are to be funded in a given year, statutory changes are often required to implement the final budget plan. Enter the legislative vehicle commonly known as the "budget trailer bill."

Budget trailer bills are key components of a final budget agreement because they often reflect policy changes needed to facilitate the funding of programs as outlined in the budget. Since Governor Davis has proposed a \$77 billion general fund budget for the fiscal year that begins on July 1, numerous changes in statutory law are necessary to bring a final budget to fruition. The statutory changes required range all the way from shifting funds from one source to another, to delaying the payment of certain allocations to the education community.

[SB 1830](#), the first of the major 2002-03 budget trailer bills, came up for a vote on Thursday on the Assembly floor. As an appropriation measure it requires a two-thirds vote majority for approval. The Senate approved the bill by a 39-0 vote. However, Assembly Republicans balked, blocking the bill's passage and sending the Budget Conference Committee onto a tailspin.

The budget Conference Committee has been working for two weeks to trim expenditures and identify possible revenue sources. With the failed passage of SB 1830 on Thursday, Senator [Peace](#) recessed the committee until further notice. This is an ominous sign for those who hoped to have a budget in place by July 1- the start of the 2002-03 fiscal year. Until all the pieces begin to fall into place, including the approval of certain trailer bills prior to the drafting of a final budget bill, the 2002-03 state budget will continue to elude lawmakers.

Just how long can the Legislature go without approving a budget? It is not at all uncommon for the Legislature to go well into July, or even early August, without a budget in place. Then, too, September is not out of the question if legislators decide to hold out for specific concessions on spending or new taxes. However, it is safe to assume there will be no budget until legislative leaders can hammer out some sort of agreement that can win the approval of a two-thirds majority in each house. If history is a guide, the Senate will reach consensus first.

**PUBLIC ATTORNEY "WHISTLEBLOWER"  
BILL REVIVED**

Following the Supreme Court's rejection of amendments to a rule of professional conduct that would have provided clarification for attorneys representing governmental entities on their "whistleblowing" rights and responsibilities, Assembly Member [Darrell Steinberg](#) (D-Sacramento) has revived his [AB 363](#), the "Public Agency Attorney Accountability Act."

As amended, AB 363 would provide specified, limited "whistleblower" protections for attorneys who, in the course of representing a governmental organization, encounter improper governmental activity. The bill is scheduled to be heard in the Senate Judiciary Committee on Tuesday, July 2.

Steinberg introduced AB 363 in response to the ethical issues which emerged surrounding Cindy Ossais, an attorney with the Department of Insurance, who revealed to the Legislature information relating to apparent illegalities within the department that ultimately led to the resignation of former Insurance Commissioner Chuck Quackenbush.

Steinberg worked with the State Bar and its Committee on Professional Responsibility and Conduct, as well as representatives of local public agency attorneys, the Department of Justice, the Judicial Council, and others, to develop [amendments to Rule of Professional Conduct 3-600](#). This rule would set forth the steps an attorney representing a public agency must follow if he or she wishes to reveal the existence of improper governmental activity without violating his/her duty of confidentiality and risking discipline as an attorney. The Supreme Court rejected the proposed amendments, however, pointing out that current statutory law prohibited the enactment of any such rule.

**TERM LIMIT INITIATIVE IS DEAD**

Last week we reported that another term limit initiative was circulating in the Capitol. [ACA 6](#) ([Mike Briggs](#), R-Fresno) would reduce the current 14-year term limit to 12 years. All 12 years could be in one house - unlike today's limit of 6 years in the Assembly, and 8 years in the Senate. Although the Constitutional Amendment had bipartisan support, it caused problems for too many legislators (of both parties) and therefore, ACA 6 is dead for the year.